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Workplace of the Future

Thank you for the opportunity to share our thoughts. As we all know, the face of long-term care has been experiencing dramatic changes that will accelerate as the baby boomer population ages.

In 1977, there were virtually no options other than nursing homes for people who required paid long-term care.¹ Since then, home care has grown to be the fastest growing sector of the health care industry and ranks eighth after computer-related occupations as the fastest growing occupation in the United States.² Here in Illinois, over 20,000 home care workers provide State-subsidized care to over 40,000 mostly Medicaid-eligible seniors.

Home care services allow elderly people to avoid costly institutionalization and also maintain independence and the ability to participate in their communities. According to a 2001 AARP survey, three out of four Americans age 50 or older would prefer to receive services in their own home as long as possible.³

However, with demand increasing for homecare services, a serious trend towards worker shortages is developing. The Bureau of Labor Statistics estimates a 62% increase in the demand for homecare workers by 2010.⁴ With low wages and few benefits, Illinois is already experiencing a yearly turnover rate of nearly 35%. Without improvements in wages and benefits, it will be nearly impossible for Illinois, like most States in the nation, to recruit and maintain a quality workforce to meet the needs of tomorrow.

Research indicates that providing health insurance and living wages to long term care workers is a powerful recruitment and retention tool:

- A recent study, *Keeping Workers Covered: Employer Provided Health Insurance in the Developmental Disabilities Field*,⁵ found that employer paid health insurance has a significant positive impact on workers tenure. The report further found that failure to provide health insurance can lead to lower quality of care and endanger patient care. The study concludes that improving access to health insurance will be critical for quality long-term care in the future.

¹ Kassner E., Williams L. Taking Care of their Own: State-Funded Home and Community-Based Care Programs for Older Persons. Washington DC: AARP, 1997.

² Health Care Employment Projections: An Analysis of Bureau of Labor Statistics Occupational Projections, 2000-2010. Albany, NY: The Center for Health Workforce Studies, University of Albany, January 2002.

³ AARP, A Report to the Nation on Trends in Health Security, Washington, DC: AARP, 2002, p57.

⁴ 2004 HRSA Report at p. 8

⁵ Niev Duffy: for full report: http://www.nysacra.org/downloads/Health_Insurance_Report.pdf

- In a recent survey of the Illinois homecare workforce, 50% of the workers who quit during the survey said they would have stayed on the job if health insurance were provided.
- In San Francisco, the impact of increasing wages and providing health insurance for homecare workers was significant. Over the course of a year, the annual turnover rate of the workforce fell by 17 percent, or 30 percent if adjusted to measure only “bad turnover” (turnover unrelated to natural causes).⁶

Very simply, the Workplace of the Future will be in the home, and the poor wages and benefits in many State home care programs will not be sufficient to meet future demands.

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⁶ “The Impact of Unionization and the Living Wage Ordinance on the IHSS Homecare Workers in San Francisco County.” Howes, Candace. Connecticut College, February 5, 2001. Available at: <http://laborcenter.berkeley.edu/homecare/research.shtml#homecare>